

Testimony of Lisa P. Sementilli, Deputy Director

Before the Appropriations Committee

RE: The Governor's Proposed Budget, HB 6350 An Act Concerning The Budget For The Biennium Ending June 30, 2015, And Other Provisions Relating To Revenue

February 20, 2013

Senator Harp, Representative Walker and members of the Appropriations Committees, thank you for hearing my testimony on behalf of the Connecticut Coalition to End Homelessness, and thank you for your leadership in preventing and ending homelessness in Connecticut.

The Connecticut Coalition to End Homelessness enthusiastically supports Governor Malloy's housing proposals and their coordination and consolidation at the state Department of Housing. The Department of Housing will *provide centralized leadership* by consolidating and coordinating housing resources and policy—creating new opportunities to better leverage our resources, while making it easier to eliminate unnecessary barriers to getting those resources out to those who can make the best use of them.

The Department will *provide a comprehensive approach to eliminating homelessness* in our State. Connecticut's emergency shelters have run at or over 100% of their legal capacity for more than two years. More than 13,000 persons (and this includes children) used our emergency and transitional housing programs last year.

Rapid Re-Housing. Governor Malloy's proposal continues significant new investments in strategies to end homelessness including an on-going commitment to rapid re-housing. It adds \$500,000 (\$250,000 each year) for housing relocation and stabilization services and short-term financial assistance to help homeless families move as quickly as possible into permanent housing and achieve stability. CCEH views the rapid re-housing investment as a down payment on ending family homelessness in Connecticut. I'd like to spend most of my comments on this program. Rapid Re-Housing is a set of interconnected strategies:

1. Coordinated intake, screening and housing-based assessment
2. Housing search, landlord recruitment, and relocation assistance.
3. Housing stabilization supports, linkages to community services
4. Timed limited financial assistance (for up to 12 months). This may include transportation for housing search, first/last month's rent, security deposit, application fees, moving costs, utility connection fees and arrearages, and other costs depending on the needs of the family. Rental assistance structured as a shallow flat subsidy based on unit size and adjusted for each region.

Both the country and Connecticut have seen that rapid rehousing works for almost all families who experience homelessness. The strategy includes short-term financial assistance to cover the costs of a security deposit, a few months' rent, relocation costs or utility arrearages, for example.

In Connecticut, three-quarters of families experience only one episode of homelessness. The majority move back into private housing on their own -- within three months. Just about all of the Connecticut families who have received rapid rehousing assistance have never returned to shelter.

The Department of Housing Rapid re-housing Fund should continue to be Augmented by Connecticut Housing Finance Authority (CHFA) funds. CHFA has set aside \$500,000 to serve 125 households per year in a fund administered by the Connecticut Coalition to End Homelessness.¹ About two-thirds of financial assistance has been used for rent subsidy and nearly one third for security deposit. A disproportionate portion of security deposit funds were used for individuals. Assistance was initially provided through case managers at emergency shelters in five regions of the state. Community-based organizations will continue to implement the program.

Highlights from the CHFA funded Rapid Re-Housing Financial Assistance Fund (7/1/12 - 12/31/12)

- A total of \$260,264 have been committed and disbursed
- A total of 84 households have been served to date and 83% of those included children
- Amount spent per household is 62% higher for families with children
- Fairfield County expenditures per household are highest in state (\$4,272)
- Funds are used most often for rent subsidies
- Security deposits account for a substantial portion of funds disbursed for adult-only households
- **Rapid rehousing Reduces the Length of Time Spent in Shelter.** Reducing the number of nights that a family spends in shelter can make a dramatic difference in its quality of life. Of the 3,604 people in families served by Connecticut shelters

¹ In addition, the U.S. Department of Housing and Urban Development has awarded funding to the state of Connecticut (through the Department of Social Services) as well as five municipalities through the Emergency Solutions Grant which allows these entities to use a portion of those funds toward rapid re-housing. Some local communities have combined a mix of private and public dollars to bolster their rapid rehousing programs. DSS has selected lead agencies to implement assistance funded through the Emergency Solutions Grant. Region 1: Supportive Housing Works; 2: New Haven Home Recovery; 3: TVCCA; 4: Community Health Resources; and 5: New Opportunities Inc.

between October 1, 2010 and September 30, 2011 (for which there was reported data), *40 percent spent between 1-3 months in shelter, and close to 20 percent averaged three months to a year.*

- *Data from experienced programs throughout the country indicate that 90% or more of households served by Rapid Re-Housing do not return to shelter within a year or more after receiving assistance.*

Supportive Housing. The proposed budget adds \$20 million in funding for 100 units of supportive housing, helping us to meet the state's plan to end chronic homelessness by 2016, with an annualized \$1 million for rental assistance subsidies and \$1 million for services. There are approximately 2,500 chronically homeless individuals in Connecticut. Supportive housing is the most effective solution to combat chronic homelessness, which is defined as four or more shelter stays within three years or a stay of more than one year along with a qualifying disability.

The new Department of Housing is slated to have more than twenty staff and \$18 million dollars in funding. The new Department of Housing will *meet the needs of low- and moderate-income individuals, families and communities in Connecticut by enhancing the supply of and access to safe and affordable housing.* Our statewide data shows that far more families and individuals experience housing instability and homelessness at any one time than can be served by our fragile prevention and crisis response system -- *an estimated 40,000 families are "doubled up" (staying with family or friend for economic reasons) in Connecticut.*

The coordination of shelters, transitional housing and supportive service programs which comprise the *housing crisis response system* through this consolidation is also an important opportunity to redefine our strategies to end homelessness based on an economic development and income security paradigm where housing emergencies and the crisis of homelessness can be solved through the creation of affordable housing and jobs.

Last biennium, Governor Malloy initiated a significant investment in affordable housing in Connecticut included \$120 million for affordable housing; \$30 million to preserve and upgrade public housing as the start of a ten year commitment; and over \$30 million for 300 units of supportive housing. The biennial budget also provides:

- **Affordable Housing.** Authorizes \$68 million in capital funding in each year of the biennium to create new affordable housing options for workers, youth and families.
- **Public Housing Revitalization.** Authorizes \$60 million in bonding (\$30 million in each year). Funding is supported with an annualized \$3 million for 300 new rental assistance vouchers.

We urge your support for these proposals to strengthen housing stability and economic security for Connecticut's residents. Thank you.